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# Joint assessment of the institutional effectiveness of UNDP

## Executive summary

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# I. Introduction

1. The UNDP Independent Evaluation Office (IEO) and Office of Audit and Investigations (OAI) have conducted a joint assessment of the institutional effectiveness of UNDP, as committed in the IEO medium-term evaluation plan, 2014-2017 (DP/2014/5) approved by the Executive Board.

2. The objective of this assessment is to assess the extent to which policy and organizational measures, including the associated restructuring process, have enhanced or have the potential to enhance the ability of UNDP to deliver higher-quality programmes and improve its institutional effectiveness.

3. The scope of the assessment included relevant activities undertaken by UNDP during the period 2010-2015, which comprised the periods of the Strategic Plans for 2008-2013 and 2014-2017, with a particular emphasis on the initiatives of the latter. The assessment takes into consideration the early stage of implementing UNDP reforms and recognizes that it may be too soon to fully identify all of the results. These reforms include strengthening the UNDP regional presence and consolidating policy functions that were central to the structural change process initiated in 2014, and the set of measures piloted in 2015 to enhance the capacity of country offices to deliver higher-quality programmes. Therefore, the assessment aims to contribute to enhancing organizational learning by identifying opportunities for improving the institutional effectiveness of UNDP.

4. The assessment aimed to answer the following research question: To what extent have the measures taken since 2010, which were aimed at improving the quality of programmes, enhanced or are likely to enhance the ability of UNDP to deliver higher-quality programmes and the organization's institutional effectiveness? More specifically: Are the measures aimed at strengthening the capacity to deliver higher-quality programmes likely to be effective? Are the measures aimed at strengthening regional presence, including consolidation of policy functions, likely to contribute to strengthening the capacity to deliver higher-quality programmes?

5. The approach and methodologies of the assessment were designed to inform the analysis of the theoretical framework and underlying assumptions as put forward by the Strategic Plan, 2014-2017. The assessment drew extensively on a meta-analysis of previous evaluations, audits and surveys as key data sources. Further, UNDP self-reporting data were used as sources of information, taking into consideration the potential limitation that such reports tend to focus on successes, rather than on challenges experienced. In addition, substantial primary data collection was undertaken through missions to the five regional hubs, where discussions were also held with staff from 45 country offices, who were brought to the regional hubs for focus group discussions. The assessment team also consulted with Governments, donors, beneficiaries, United Nations agencies and headquarters staff. To close triangulation, five different surveys were designed and rolled out to the country offices.

6. Data collected were then analysed and whenever possible cross-referenced and triangulated to ensure the necessary depth to the analysis to produce credible findings. The aggregation and triangulation of evidence from various sources and methods also provided context and enabled additional in-depth analysis of some emerging trends in the organizational performance of UNDP.

# II. Context

7. Overall, UNDP associates "development effectiveness" with effectively contributing to the seven development outcomes prioritized by the organization in its Strategic Plan, 2014-2017. "Organizational effectiveness" is associated with the three key interrelated management results that are intended to support the vision and development outcomes presented in the Strategic Plan: (a) higher-quality of programmes; (2) greater organizational openness; and (3) improved management of financial and human resources.

8. The organizational effectiveness of UNDP is determined by measuring direct, accountable and attributable performance over which the organization has control. Organizational effectiveness and efficiency are expected to support development effectiveness, leading to "institutional effectiveness". Both terms, "institutional effectiveness" and "organizational effectiveness", will be used interchangeably for the assessment, because this is consistent with the way that UNDP uses the concepts in its day-to-day work.

9. Results-based management (RBM) has been an integral part of institutional effectiveness and the delivery of public value since its adoption by many Organization for Economic Cooperation and Development (OECD) Member Governments in the 1990s and by the OECD Development Assistance Committee members later in the decade. However, there are limitations to RBM in terms of what can be achieved, given that the development context is dynamic and non-linear and that not all issues of performance can be quantified. Nevertheless, it remains a broad management strategy.

10. RBM is underpinned by the objective to shift development discourse from the intervention level to linking institutional management functions, interventions (projects and programmes) and results. It aims to align organizational systems (leadership and management routines and processes, culture, knowledge, human and financial resources) and partnership arrangements to achieve strategic outcomes. RBM uses measures to inform decision-making and learning about what works best and where, so that successes can be replicated or scaled up and organizational procedures and processes can be adapted as appropriate to support new interventions. Leadership is a key component in the success of RBM, and a major aspect of leadership's role in RBM for institutional effectiveness consists of managing learning from performance results so as to scale up innovations and draw on important lessons.

11. The discourse of RBM has been part of the United Nations reform agenda since the late 1990s. It has contributed to a shift in governance and managerial focus from interventions/inputs (resources), activities and products to results. This emphasis on results was mostly influenced by funding pressures from donor countries and their demands that the United Nations demonstrate efficiency and effectiveness.

12. In such an evolving institutional development environment, UNDP has always been expected to deliver on a number of global, regional and corporate commitments informed by the principles of aid effectiveness outlined in the 2005 Paris Declaration on Aid Effectiveness: ownership, alignment, harmonization, results and mutual accountability.

13. In the first Multi-Year Funding Framework (MYFF) 2000-2003, UNDP outlined its main strategic objectives and the financial resources required to achieve them. It identified intended results produced by all country offices, as set out in the strategic results framework. During this period, UNDP monitored the results achieved across several dimensions. In parallel with these developments, the Administrator's Business Plans 2000-2003 outlined the strategy to transform UNDP into a more results-oriented organization. This marked the official start of the UNDP internal reform process, which included policy, partnerships, people, performance and resources. Additionally, new instruments and tools for performance measurement were established to monitor progress towards achieving goals. This included a Balanced Scorecard, which helped establish targets and a system to monitor the Administrator's business plans. The first results-oriented annual report (ROAR) was introduced as the reporting mechanism of the MYFF. In addition, quality assurance, planning and monitoring, and results reporting as principles of RBM were further incorporated through improved programming systems, and major initiatives were taken to simplify business practices and reduce transaction costs for country offices.

14. The MYFF 2004-2007 outlined additional actions that UNDP would implement to enhance its organizational capacity to deliver timely, effective services to promote programme countries' achievement of both the Millennium Development Goals and their individual national development goals. These actions focused on two key areas: (a) providing coherent, knowledge-based services through the development of practices and service lines; and (b) improving the efficiency and performance of UNDP in delivering these services.

15. This MYFF introduced the concept of service lines to act as a soft boundary rule on what UNDP should support at the country level, and requirements for setting annual outcome targets were also introduced. As a complement, UNDP designed a new accountability framework, including an oversight policy and an evaluation policy. The MYFF 2004-2007 also introduced the distinction between the concept of "development effectiveness" and "organizational effectiveness".

16. The Strategic Plan, 2008-2011, subsequently extended to 2013, aimed to: (a) better articulate UNDP priorities, objectives, targets and performance indicators; (b) create a basis for internal resource allocation; and (c) set up a stronger platform for comprehensive results management. An addendum to the Strategic Plan outlined the development and institutional results framework, detailing the corporate products and services that UNDP had to deliver to improve institutional effectiveness and efficiency for the provision of development results. These management results focused on: improving accountability; introducing enterprise risk management concepts; and integrating planning, budgeting, performance and human resources management.

17. The following other steps aimed to increase organizational effectiveness and efficiencies during the period of the Strategic Plan, 2008-2011: (a) introduction of a cost classification framework for reporting on management results and development effectiveness; (b) a strategy for fast-tracking the UNDP response in crisis-affected countries; (c) professionalization of human resources management; (d) improvement of procurement efficiency; and (e) adoption of the International Public Sector Accounting Standards.

18. In 2011, the Administrator laid out an Agenda for Organizational Change[1] to reinforce organizational effectiveness by improving UNDP internal decision-making structures, making critical corporate investments and streamlining recruitment processes. Specific elements included efforts designed to control costs and expenditures; and a review of the UNDP business model. Four challenges required attention from management to ensure that UNDP remained effective: staff excellence; surge readiness;[2] organizational readjustment; and budgetary efficiency.

19. The IEO independent evaluation of the Strategic Plan, 2008-2013[3] concluded that there was a need both to strengthen country offices and to clarify the roles and responsibilities of headquarters and regional centres and hubs. It also concluded that the performance monitoring and reporting system was not optimal for a decentralized organization working on complex development issues in unique local contexts. It also emerged that most of the country programme portfolios were neither prioritized nor focused on a set of core activities, which affected programming efficiency. Finally, in order to increase effectiveness, UNDP still needed to strengthen internal and external learning capacities at the country level and across the organization.

20. The Strategic Plan, 2014-2017 was based on guidance from General Assembly resolution 67/226 of 21 December 2012 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system as well as on the Millennium Development Goals and the evolving post-2015 development agenda, which ultimately was adopted as the Sustainable Development Goals. UNDP had yet to address: the lack of clarity about roles and responsibilities, which hinders thematic policy functions, decision-making capacity, performance management and accountability; inefficiencies and duplication of functions, with units performing similar functions across the organization; and

[1] E/2011/35.

[2] "Surge" refers to the swift deployment of experienced coordination experts and other specialized humanitarian personnel. Surge capacity is used when there are unforeseen emergencies and disasters, when a crisis deteriorates or when a force majeure affects an office.
http://www.undp.org/content/undp/en/home/ourwork/crisispreventionandrecovery/focus_areas/immediate_crisis_response.html

[3] IEO evaluation of UNDP Strategic Plan, 2008-2013, May 2013.

the need for better alignment of programme delivery with the method of programme implementation.

21. There were also calls from donors and stakeholders for UNDP to improve the quality of its reporting to demonstrate outcome-level results progress and the quality of programming. In particular, issues of lack of focus, weak indicators and missing linkages between output, outcomes and impact levels were highlighted. Information on programming-related indicators in UNDP covered only one year and a few select outcomes. There were insufficient data on outputs and outcomes, a lack of detailed information on results at the country level, and a poor link between outputs and the achievement of higher-level outcomes.

22. The introduction of the Strategic Plan resulted in a number of measures for operationalizing the above strategies. Programmatic measures were usually piloted before they were rolled out fully. The following measures introduced since the preparation of the Strategic Plan, 2014-2017 will be reviewed in this assessment.

23. On a programmatic level, UNDP country programme outcomes were aligned to the Strategic Plan outcomes and the number of outcomes per country programme was limited to a maximum of four. Quality standards for programming were introduced at all levels. Seven quality criteria for programming were developed, with rating tools to assess the quality of programmes and projects at design, implementation and closure. A revised, mandatory, quality assurance process was introduced during the planning and design phase of country programmes and during the full cycle of UNDP projects. A first pilot of the new quality assurance standards was conducted with 23 country offices in 2014, which helped to identify various issues and areas for improvement. An additional 50 country offices were added to the group of 23 for phase 2 of the pilot from June to December 2015 with adjusted instruments. The various policies and programme measures were fully rolled out in March 2016. Country programme document (CPD) and project planning and design standards were also launched to support stronger quality programmes. In 2014 and in December 2015, the CPD template was revised to provide more specific guidance on requirements for a quality programme. A new monitoring policy was designed and rolled out, which requires the collection and use of appropriate and credible data as evidence for monitoring progress. In addition, the policy requires that offices adequately resource the monitoring function against the yearly programme delivery and requires the regional bureaux to allocate at least 1 per cent of annual development expenditures to monitoring and evaluation (M&E).

24. On an organizational level, policy functions were consolidated within UNDP with the merging of the relevant bureaux for policymaking, and policy advisory functions and reporting lines were streamlined. The UNDP regional presence was strengthened by transferring some headquarters staff to the regional hubs.

## III. Findings

### Finding 1

25. There were challenges in highlighting the strategic comparative advantage of the United Nations Development Group system and the agencies' added value, including that of UNDP, in United Nations Development Assistance Frameworks (UNDAFs). Weaknesses in the design and content of UNDAFs represent a risk to the quality of further downstream programming for all United Nations agencies, including UNDP country programmes and constituent project portfolios.

### Finding 2

26. The CPDs have become more strategic and progress has been made in improving their quality by more effectively engaging multiple parts of the organization in assuring the quality of the documents to promote more integration between thematic areas and issues, as well as a sharper focus and alignment to the Strategic Plan. The alignment exercise, however, is still ongoing. The CPDs that were reviewed still provided insufficient information on the added value, comparative advantages and partnership strategies of UNDP.

**Finding 3**

27. The introduction of quality standards represented an improvement in the establishment of corporate-wide guidelines on programme and project quality. However, the conditions to meet the standards are not present in all country offices, and it is not likely that country offices will fully adhere to the standards in the short term. The quality standards are complex and to some extent, difficult to attain.

**Finding 4**

28. The understanding and uptake of the new quality assurance system to improve the quality of programmes and projects were not optimal and the reliability of quality judgments leaves room for improvement. Not all conditions are in place to ensure full implementation of the new system.

**Finding 5**

29. The introduction of the theory of change is a positive step towards better design and quality of programmes and projects. However, the concept of theory of change is neither fully understood nor adequately practised during the programming process.

**Finding 6**

30. Insufficient resources, staffing and competence to support monitoring have undermined the ability of UNDP to monitor results more effectively in order to manage knowledge for further improving the quality of programmes.

**Finding 7**

31. Resource constraints may impede the success of the recently launched strategy to improve the quality of decentralized evaluations. In addition, the organization is still slowly progressing in the development of a culture that uses more effectively the conclusions, recommendations and lessons learned from evaluations to contribute to knowledge management and to feed strategic and timely decision-making.

**Finding 8**

32. The use of quantitative and qualitative evidence to demonstrate progress in UNDP reporting has improved. Challenges remain for country offices undertaking reporting activities in terms of usefulness, timing, length and frequency of the reports, as well as ensuring the reliability of how the performance data are reported and, for external users in countries, in terms of the language used and the length of the reports.

**Finding 9**

33. Measures aimed at strengthening the UNDP regional presence are mostly valued by country offices, and the process of consolidating policy functions is largely operational. It is not clear, however, to what extent the measures have contributed or can contribute to strengthening of capacities to deliver higher-quality programmes, given that key challenges facing country offices were not properly addressed; the lack of resources and capacities is of particular concern, which can affect the strengthening and sustainability of the regional presence.

**Finding 10**

34. The restructuring of the organization and measures to strengthen the regional presence and consolidate policy functions were affected by the shortage of resources and sustainable funding models. However, the extent to which the regional bureaux and hubs will be able to properly support country offices will depend on the resources which the regions and country offices will be able to mobilize to pay the additional cost of regional and policy services. The expectation of recovering the costs of policy support from service requesters (or country offices) through direct project costing seems unrealistic in the short term, and the lack of resources is likely to affect the strengthening of the regional presence in the near future.

# IV. Conclusions

**Overall conclusion**

35. There are signs of improvements in the quality of programmes in UNDP. The CPDs are more strategic and more effectively engage multiple parts of the organization in quality assurance. There has also been progress made in the quality assurance of UNDP programmes in order to facilitate results-based programming and budgeting. Organizational measures such as the structural review, aiming inter alia to strengthen the regional presence and the consolidation of policy functions, have clarified some roles and responsibilities between the regional level and headquarters and are mostly valued by country offices.

36. However, it is not possible to conclude that the measures put in place currently have significant tangible and sustainable effects on the quality of programmes, or have potential for success, given multiple factors that need to be addressed, such as leadership, communication and resources. In addition, the measures for higher-quality programming have not been costed and therefore it is not clear if UNDP will be able to make all necessary investments.

37. UNDP is in the midst of change, and the sustainability of measures to increase institutional effectiveness through the new organizational and programmatic measures might be at risk due to lack of resources and sustainable funding models. Without additional efforts and targeted investments to strengthen capacities, it is unlikely that programmatic and organizational measures can be fully implemented, significantly enhance the quality of programmes and improve institutional effectiveness in a sustainable manner.

38. High-quality, results-based programming entails more than compliance to quality standards and reporting on results, even though this is important for senior management, donors and other important stakeholders. Results-based programming also entails learning to improve programming with the help of results-based information from evaluations, audits and corporate monitoring and reporting tools. Leadership is needed in UNDP to further develop a results-based culture throughout the organization that effectively uses knowledge to improve results, where successes but also failures are important vehicles of learning.

**Conclusion 1**

39. The UNDAFs and CPDs show improved alignment with the Strategic Plan priorities and an uptake of the Sustainable Development Goals, but for the most part fail to reflect the strategic comparative advantage of UNDP and how UNDP is envisaged to add value to development initiatives. The CPDs do not reflect a sufficient use and understanding of the theory of change concept that could have provided for a more integrated vision and approach.

40. Standardizing quality criteria in the heart of the programming process requires the conditions for effective quality assurance to be in place for quality standards to be attainable. This currently is not the case, which has an impact on the planning and design of programmes and projects and is likely to affect the quality of programme results. UNDP has yet to calculate the time and cost involved in implementing effective quality assurance and to date, no additional budgetary provisions[4] have been set aside or provided to country offices to cover related costs.

41. Country offices and regional bureaux particularly face difficulties in applying theory of change concepts and in translating the products of the planning process into results and resources frameworks.

42. Almost all country offices and regional hub/bureau staff consistently mentioned that the main problems were and are resources and related capacities. Programmatic measures did not address this root problem; therefore, organizational measures are expected to have only a marginal effect. While country offices do understand that UNDP needs to improve the quality of its programmes and projects, the means to make the necessary investments are lacking.

[4] The resources for quality assurance need to be recovered through direct project costs. As direct project costs are new, this change has yet to take root in the organization and it is not clear if country offices are aware of it.

according to the country offices. This condition seems to represent a binding constraint and is likely to affect the effectiveness of the measures.

43. The broad range of stakeholder consultations held by the assessment team made it clear that most staff members, and in particular managers, need further training in RBM. A corporate-wide assessment of training needs is required for staff ranging from senior management to programme managers and associates. Training also has not been sufficiently extended to implementing partners, whose engagement is essential.

44. The use of evidence in reporting has increased, but evidence of its use for improved learning, programme design, implementation and course corrections is still limited. A monitoring policy and a strategy to improve the quality of decentralized evaluations have also been launched to improve the use of credible evidence. However, to date limited progress has been made in a consistent way to support learning from evidence for improved results within and among interventions. Because UNDP works in partnerships, measures cannot be implemented by UNDP alone.

**Conclusion 2**

45. The organizational restructuring changes aimed at strengthening the regional presence and consolidating policy functions contributed to a clearer division of roles, responsibilities and accountabilities, but to varying degrees across the different regions. The sustainability of these changes is uncertain, given the lack of resources for staffing regional hubs and for country offices to pay for regional services.

46. Country offices particularly welcomed the increased actual or potential availability and proximity of hub staff, with advisers in the region now more likely to better engage and understand the context, needs and challenges of the region's country offices. Roles are not fully understood in all regions, and country offices are at times unclear about the services and reference persons available. In two of the hubs, the new architecture and matrix management have created additional and unclear layers of reporting and bottlenecks, often to and from headquarters. More effective decision-making power and stronger integration between advisers from regional bureaux advisers and from the Bureau of Policy and Programme Support (BPPS) are found where hubs are led by Deputy Directors of the regional bureaux. Two regional hubs seem to have further centralized decision-making in New York rather than empowering the regional hubs to strengthen the regional presence and consolidate policy functions.

47. The uncertainty of financial resources has led to fragile contract situations, and if the prolonged vacancies of key positions persist and demand from country offices increases, the shortage of staff is likely to adversely affect the capacity of the hubs to provide timely and high-quality support. Further, not all country offices and partners are willing to pay the additional direct project cost charges for the regional services.

48. According to UNDP, the structural review delivered annual savings of $33 million in salaries and rent. Further review by OAI confirmed this figure. However and at the same time, the organization incurred additional one-time implementation costs of $35 million between 2014 and 2015. The net gain from the structural review for 2014-2015 is thus negative with additional costs of $ 2 million.

**Conclusion 3**

49. RBM continues to be associated more with compliance-driven practices to satisfy reporting requirements, with a limited focus on learning from evidence to enhance knowledge management for decision-making and improved performance with targeted financial allocations. In order to effectively institutionalize RBM, UNDP has yet to find the balance between compliance for reporting and learning for improved results and institutional effectiveness. A greater understanding of what RBM can deliver is necessary to meeting the pledge that UNDP will be a results-driven and knowledge-based organization.

50. RBM remains largely the responsibility of RBM and M&E focal points and experts. This inadequate understanding of the practice and value of RBM for learning purposes to

improve results has hindered country offices in securing adequate use of knowledge management in the overall quality of programmes and projects and management for results. Less than half of UNDP staff contacted by the assessment considered themselves fully up to date with UNDP corporate requirements and directives on how to interpret and apply RBM concepts. In addition to this internal challenge, most of the external parties involved in UNDP project development also are not up to date with the UNDP RBM quality requirements.

51. There is a clear and still unmet demand for knowledge management to play a bigger role in helping the organization better learn from evidence for improved results. Leadership has yet to more effectively encourage a "results culture" which goes beyond reporting and understands RBM in terms of continuous organizational self-learning from both successes and failure and from innovation, and not just M&E for reporting purposes.

**Conclusion 4**

52. There may be insufficient human and financial resources to fulfil the corporate requirements of the programming and structural reforms, due to the fact that the measures for higher-quality programming were not properly costed. Given the interdependence of financial and human resources, budgetary constraints have caused staff shortages and time constraints, which are likely to adversely affect performance, unless additional prioritization efforts take place.

53. The availability of sufficient financial and human resources is a fundamental factor affecting the sustainability of the regional hubs, which generally are expected to recover costs from services provided to country offices, many of which are not in a position to afford the regional hubs' high charges. The extent to which the regional bureaux and hubs will be able to properly support country offices will depend on the resources the regions and country offices will be able to mobilize to pay the additional charges for regional and policy services. The expectation of recovering the costs of policy support from service requesters (or projects) through direct project costing seems unrealistic in the short term and the lack of resources is likely to affect the strengthening of the regional presence in the near future. Fully implementing direct project costs will require additional negotiations with project partners and a results-based project budgeting approach which costs out all implementation inputs, including technical expertise irrespective of its source. This may take time.

54. Many open or planned positions in the regional hubs have been vacant because of financial constraints. Currently, one quarter of BPPS staff positions across the regions and headquarters are vacant. UNDP staff generally have shown resilience and adaptability, but levels of engagement are undermined by a lack of resources to invest in them.

55. In addition to the investment in RBM capacity there are other cost factors involved in implementing all measures and reforms to the fullest extent. The measures for higher-quality programming have not been properly costed and therefore it is not clear if UNDP will be able to make all necessary investments. In fact, adhering fully to the quality standards comes at a cost, but this cost has not been properly calculated and the assumption that they can be absorbed by country offices is questionable. Without having better knowledge of all costs involved in adhering to the quality standards, the level of incidental and structural investment cannot be performed.

56. Further, staff shortages contribute to inadequate adherence to quality assurance procedures because small country offices, with limited numbers of staff, cannot easily segregate roles and responsibilities. This significantly hinders the fulfilment of requirements for independent quality assurance and monitoring functions in accordance with the corporate quality standards. More than half of the country offices contacted stated that they were unable to provide sufficient time for quality assurers to rigorously review all project proposals submitted to them. These constraints are likely to affect the success of the measures to enhance the quality of programmes and to improve the institutional effectiveness of UNDP.

## V. Recommendations

**Recommendation 1**

57. Based on the content of the UNDAF and the guidance provided in the UNDP quality standards, country offices should ensure that the UNDP comparative advantage and value added are adequately identified by providing evidence as to why UNDP is better positioned than other institutions to implement a specific programme.

**Recommendation 2**

58. UNDP should ensure that all country offices fully understand and adequately practise the concept of theory of change during the programming process through a thorough assessment of the completeness and internal logic of the theory of change prior to submitting the CPDs to the Executive Board.

**Recommendation 3**

59. UNDP should assess the costs of implementing the new programme and project quality assurance system to determine whether, and if so how, the resource requirements of the reformed system can be sustainably met with costed plans for a phased implementation. Based on the budget available, UNDP should prioritize the quality elements to which country offices have to adhere fully.

**Recommendation 4**

60. UNDP should reassess the financial sustainability of the regional service centres/hubs model including the posting of the BPPS policy advisers.

**Recommendation 5**

61. UNDP should develop greater RBM expertise with improved focus on learning and knowledge management for enhanced effectiveness, shifting the focus from proving results to improving results. To effectively institutionalize RBM, capacity development needs to be delivered through a broad range of approaches and include all staff, from leadership and senior management to programme managers and associates. Capacity development should also extend to implementing partners, whose engagement is essential if national data sets are to improve and contribute to UNDP reporting requirements. Increased attention should also be given to promoting an organizational culture that uses more effectively the conclusions, recommendations and lessons learned from evaluations and audits to contribute to knowledge management and to feed strategic and timely decision-making.

**Recommendation 6**

62. UNDP leadership should prioritize investment in knowledge management, going beyond capturing best practices to using lessons learned from each context of success and failure to contribute to effectiveness and improve results. The role of leadership is pivotal in ensuring an enabling environment and support for UNDP to enhance engagement and communication to further develop a results-based culture throughout the organization that welcomes critical reflection on performance and effective knowledge management to improve results, where successes but also failures are important vehicles of learning. Leadership should effectively encourage a "results culture" which goes beyond reporting and understands RBM in terms of continuous organizational self-learning from both successes and failure and from innovation, and not just M&E for reporting purposes.

## VI. Issues for further consideration

63. Overall, it is too early to attribute improvement in terms of the quality of programmes, much less development results, to the recently introduced programming measures, since most have yet to be effectively implemented. Leadership has yet to provide adequate support for the organization to adapt and implement the new measures and manage knowledge by more openly using evidence of successes and failures to improve the quality of programmes and enhance institutional effectiveness.

64. Although the requirements of the enhanced RBM and quality assurance systems are increasingly understood, country offices and regional bureaux face multiple capacity and financial challenges to effective implementation of the new measures and RBM. The timing, sequencing, content and the way the measures were introduced generated significant implementation constraints.

65. The measures aimed at improving the quality of programmes, underpinned by RBM, insufficiently highlight the component of learning from successes and failures and the importance of knowledge management – the key essence of RBM – to enhance effectiveness of results. RBM is still understood by many in UNDP as M&E, work planning and reporting for compliance.

66. Based on interviews with key stakeholders and meta-analysis of evaluations and ROARs, it was found that knowledge management was still focused mostly on capturing best practices, not necessarily the lessons learned in each context of success and failure to contribute to effectiveness and improve results. UNDP has only recently introduced as part of its reporting opportunities (ROAR 2015) questions to promote learning from failure. This can be a significant step towards a cultural shift if leadership is able to value these inputs and commit to changes based on the evidence presented.

67. For UNDP to be an evidence-driven, learning and knowledge-based organization, it must find a more effective way to invest in RBM beyond the RBM/M&E focal points, webinars and online courses. To effectively institutionalize RBM, capacity development needs to be delivered through a broad range of approaches and include all staff, from leadership and senior management to programme managers and associates. Capacity development should also extend to implementing partners, whose engagement is essential if national data sets are to improve and contribute to UNDP reporting requirements.

68. UNDP is aware that this condition is critical and the annual workplan for 2016 acknowledges that the organization "still has some way to go in changing attitudes, behaviours, processes, practices and skills... There are signs that a majority of the staff may still see efforts as a passing phenomenon as well as compliance- and [headquarters]-driven. The task is made more difficult by what is still substantial underinvestment by the organization in RBM capacity which is hampering country offices, in particular, from securing a step change in the use of data and in the overall quality of programme and project design, management and M&E."[5] Nevertheless, the annual workplan gives no indication of how exactly this underinvestment in RBM capacity will be addressed, although it highlights three lines of action to raise funds: (a) expand the funding base; (b) higher turnover to secure more income from overhead fees; and (c) better cost recovery. There is, however, no indication that any of these lines of action will be successful in the short term.

69. UNDP will be using the full potential of RBM when its staff and partners also become comfortable with testing and adjusting theories of change, and learning from evidence to understand what works better, for whom and in which contexts. However, to date, analysis of ROARs indicates that country offices are still more focused on proving results with improving albeit still limited credible evidence, instead of improving results that are based on credible evidence gathered from lessons learned from successes and failures.

70. Despite successful investments, such as the earlier case of communities of practice in Teamworks and Yammer to promote learning resources, according to country offices, regional hub staff and meta-analyses of assessments of development results, the hubs and bureaux can play a greater role in knowledge management aimed at improving effectiveness. A knowledge management strategy has been developed to allow for communities of practice, skill mapping, talent pools and a lessons learned database, among other innovations. However, according to knowledge management staff interviewed for this assessment, the financial burden is pressing heavily on the investment needed for knowledge management.

[5] UNDP Annual Business Plan 2016, 2 December 2015, page 7.

71. There is much value in learning particularly from failures, but according to staff overseeing ROARs and quality assurance and some senior managers, including Resident Representatives, this is improving but still far from a comfort zone for an organization with financial constraints, where staff fear reporting failures and potentially incurring additional financial cuts.

72. Staff in some regions indicated that the committed push for innovations, when coming from leadership, is helping to share best practices, but UNDP is still slow in welcoming learning from failure and in disseminating this knowledge for more effective investments.

73. There are also examples of limited knowledge management due to separate and uncoordinated efforts to capture lessons. For example, while one region reported facing methodological challenges in trying to capture the lessons from ROARs, another region made similar efforts without having consulted the former. During the same period, BPPS was also trying to capture lessons learned from ROARs. Poor coordination processes lead to duplication of efforts, missed opportunities, poor knowledge management and ineffectiveness.

74. Country offices are optimistic about the potential transformational role that the regional hubs can play in facilitating UNDP to become a more effective knowledge-based organization. They suggest a range of possibilities that would help to improve a results- and knowledge-based culture in UNDP, such as supporting more consistent cross-country exchanges and structured compiling of information about what has failed in the past and what are practical solutions to similar programming and operational challenges.

75. UNDP leadership is pivotal to promoting a results culture that encourages critical reflection of success and failures as having value for organizational learning. Hence, both successes and failures must be acknowledged and, more importantly, a climate must be promoted that encourages staff to reflect critically on performance as a means to improve. The trend among staff interviewed in the field and at headquarters indicated that this ideal was not realized. Unwillingness to talk openly about failure stymies innovative thought and innovation, and does not allow staff to take full advantage of opportunities for learning towards improving effectiveness and efficiency. An open culture will, in the long term, help the organization to become more self-reflective and thus relevant.

76. Staff also often fear not only losing resources but also damaging the future chances and reputation of UNDP when highlighting failure. However, true commitment to the organization should transcend concern with short-term reputational risk and rather examine the adverse effect of negative results and look towards the long-term effectiveness and sustainability of an organization that is credible.

77. Failure is part of development and highly important for learning. Hence, any workplan, while important and necessary, should in a development context be regarded as aspirational at best, which is difficult to implement in a linear fashion within planned timelines, with limited resource commitments, when the external environment is constantly changing. The judgment of the successes and failures of UNDP at all levels needs to be understood within a context where the organization operates in delivering results in dynamic and at times unpredictable environments, with other partners and where it has to negotiate its country programmes in cooperation with Governments, the results of which may not be ideally aligned to the corporate strategic plans or local UNDP workplans. Further, a failure to deliver specifically as expected in the workplan needs to be contextualized.

78. It is difficult to evaluate an organization with such a large and complex portfolio at an aggregated level, given the plethora of results committed to and delivered at multiple levels. However, open and critical reflection on successes and failures, together with credible independent assessments of performance, can validate corporate reporting, provide useful feedback necessary for course correction and improve institutional effectiveness. Focusing on critical reflection for learning purposes will ensure course correction in real time and in real contexts, which together will demonstrate that UNDP is a learning and responsive organization and attest to its value as a development partner.

79. To work with RBM for institutional effectiveness in delivering quality programme and project results, UNDP has to gain comfort in testing theories of change which will often fail to prove the veracity of the theory hypothesis that a programme is pursuing, and this is normal. Development, indeed, requires outcome-level objectives to remain steady, but staff need agency to change plans when justified by evidence to allow for course correction.

80. Alignment, harmonization, new quality standards, new quality assurance processes, new templates and new monitoring, compliance and evaluation requirements are all recent introductions to enhance the quality of programmes and institutional effectiveness of UNDP. However, unless the new focus on RBM and additional oversight and quality assurance measures align with adequate leadership for improved learning from evidence to return benefits, given the current fiscal realities, these systems may further constrain country offices instead of improving the quality of programmes and effectiveness. Too much is being requested too fast for country offices to be able to comply while delivering quality results and remaining a partner of choice in an increasingly difficult funding environment. From the perspective of country offices, balance in the level of effort for RBM tasks is advisable so as not to sacrifice the central purpose of UNDP of responding quickly to its partners' needs.